

### THREE-YEAR PLAN 1991-1993

#### PRODUCT DEVELOPMENT

##### PRESENT POSITION

#### 1. SUPPORT THE CURRENT BUSINESS

##### MARLBORO

- Within the framework of the Marlboro Monitoring Program in the major EEC and EEMA markets, cigarettes for blind product tests have been made in order to monitor consumer perceived product performance.
- A blend optimization program has been conducted on the PE Marlboro. Product candidates have been tested in France, the Netherlands, Belgium, Germany and Switzerland. The market test results will be available in the fall of 1990.
- A tailor-made blend for menthol products was successfully developed which resulted in a new Marlboro Light Menthol (Tar: 9,0 mg, SN 0.7 mg) launched in France in July 1990.
- A program has been initiated in view of changing the size of Marlboro FF and Light from LS to KS in Finland. The implementation is foreseen to take place during the summer of 1991.

In order to be in line with the Tobacco Pesticide regulations in Germany, a blend optimization program has been achieved and implemented on Marlboro Lights in Germany.

- A blend and flavor combined with the cigarette construction optimization program has been started on licensees' products for Hungary, Yugoslavia, Poland, with the aim of bringing these products closer to the PE Marlboro.

##### PHILIP MORRIS

- A Philip Morris Ultra 100's (Tar 2.0 mg, SN 0.2 mg) was launched on the Swiss market in May 1990 as line extension of the Philip Morris Ultra KS.
- The development of two slim products, the Philip Morris Lights as well as the Philip Morris Multifilter Ultra Lights was completed and both products have been simultaneously introduced on the Italian market in January 1990.
- A Philip Morris Lights KS (Tar class 1, total weight below 850 mg) has been developed and launched in Sweden end of February 1990. In the same frame, the development of a Philip Morris Superlights within the same tar range is

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ongoing. Market introduction to take place in spring 1991 in Sweden.

- In order to be in line with the Tobacco Pesticide regulations in Germany, a blend optimization program has been successfully realized and implemented for the Germany Philip Morris Lights and Philip Morris Ultra Lights KS.

#### MERIT

As a line extension of the Merit (Tar 8.0 mg, SN 0.6 mg) a Merit Ultra Lights KS (Tar 4.0 mg, SN 0.4 mg) was launched in Switzerland in April 1990.

#### MURATTI

- In 1989, a Muratti family improvement program was implemented which involved blend/flavor as well as cigarette construction. The first development step of the program has been achieved on the Muratti Ambassador KS for Switzerland. It will be market tested in November 1990.
- A new Muratti Mild KS (Tar 4.0 mg, SN 0.4 mg) has been conceived and developed using concentric filter technology. The selected candidate is presently being market tested in Switzerland. The launch of that new product is planned for spring 1991.
- A new Muratti Ultra Light KS (Tar 1.0 mg, SN 0.1 mg) is planned to be launched in Switzerland at the same time as the above mentioned product. The development phase will be completed in October 1990.

#### L&M

- A new L&M Lights KS delivering Tar 6.0 mg, SN 0.4 mg has been introduced in the German market in May 1990.
- A new L&M FF KS (Tar 16.0 mg, 1.1 mg) & L&M Lights (Tar 11.0 mg, SN 0.8 mg) was developed and produced for the Norwegian market. It was launched in early September 1990.
- Blended flavor combined with cigarette construction optimization program was initiated in Eastern Europe countries licensees' products.
- In order to reduce product cost a blend construction optimization program is currently in progress on the L&M FF KS sold in Belgium.

#### CHESTERFIELD

- For standardization purposes within the Chesterfield family a change of blend was effected in January 1990 on the Chesterfield FF KS sold in Germany.
- In June 1990 a new Chesterfield KS FF was launched in Finland delivering Tar 14.0 mg SN 1.0 mg.

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- A Chesterfield KS FF (Tar 14.0 mg, SN 1.0 mg) and a new Chesterfield Lights KS (Tar 8.0 mg, SN 0.6 mg) have been manufactured. The Lights was market tested. Launch of both products is planned for autumn 1990 in Switzerland.

#### BRUNETTE

- A blend standardization on all Brunette family products has been successfully achieved in May 1990 and implemented on the Swiss market.

#### BELMONT

- A new Belmont 2002 Menthol (DPM 5.0 mg, SN 0.4 mg) for Finland was developed and produced for launch in early October 1990.

A program was started with the objective of changing the size of the Belmont family products in Finland from LS to KS. Implementation is expected to take place in summer 1991.

#### BOND

A new Bond Ultra Menthol (Tar 1.0 mg, SN 1.0 mg) was made. The product will be launched in Sweden in February 1991.

#### CONGRESS

- A blend optimization program on Congress FF KS and on Congress Lights KS for Saudi Arabia has been completed in early 1990. Implementation took place in July 1990. In view of a similar blend standardization, a change of blend is foreseen for late fall 1990 on Visa FF KS and Visa Lights KS in Saudi Arabia.

#### PARLIAMENT

- A new Parliament 100's Lights (Tar 10.0, SN 0.8) with charcoal recess filter was developed for the German market. This product was introduced in March 1990.

#### CIGARILLO TYPE PRODUCT

In the fall of 1989, a project was initiated with the objective of making a cigarillo-type cigarette for the German market, having physical and taste characteristics similar to an American blended product but using double wrapped reconstituted tobacco sheet. The development phase being already well advanced, the first industrial trials are planned to take place in November 1990 in Germany.

#### LOW COST PRODUCTS

In order to be positioned on the German market in the generic cigarette segment, a development of low SVC products was initiated. A selected candidate is presently market tested against the two major competitive brands (Magnum, Boston).

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## GDR BRANDS LINE EXTENSION

In view of the coming new market, development has started with line extensions of existing local brands such as F6, Karo and Jewel, having in mind as a first step to modernize the products while keeping similar taste characteristics.

## CONSUMER RESEARCH

In a combined effort with Marketing Research France, a new questionnaire, to be used in Product Test Research, has been developed and successfully tested.

The results were presented to PMI Marketing Research Management in July 1990.

A study, using the French market as a model, was initiated and conducted with the objective to correlate market dynamics, measurable product parameters and subjective attributes based on sensory evaluation. The outcome of this study will provide a better and more accurate understanding on consumer perceived product performance.

## 2. NEW INNOVATIVE PRODUCTS

### LENA (Concept PAPIROSSI)

- The directive of this project is the development of a papirossi-like cigarette with a low tar delivery.

A prototype (9.3 mg tar) was made by using a 50 mm recess and laser perforation

### MOSELLE (Concept Recess)

- The development of a 25 mm recessed cigarette is achieved. A prototype (10.7 mg tar) was developed with the tobacco-high-density concept.

## 3. TECHNOLOGY MANAGEMENT

### BASIC TECHNOLOGIES

The existing cigarette model was improved by introducing a more accurate filtration equation. Furthermore, its possibilities were extended, allowing the prediction of the puff-per-puff smoke yields for standard filter constructions, and the selection of the porous materials in order to obtain the desired ventilation level.

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4. EMERGING TECHNOLOGIES

- A new triple tube-in-tow filter, which significantly flattens the puff-by-puff profile has been successfully developed in order to improve smoke variations.
- The feasibility and reproducibility of the total blend expansion technology using blends treated before expansion has been demonstrated.

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